

Message Text

PAGE 01 STATE 188069
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C O N F I D E N T I A L STATE 188069

E.O. 11652: GDS

TAGS: PARM, CSCE, NATO

SUBJECT: SWEDISH AND ROMANIAN PROPOSALS ON MILITARY
BUDGETS

REFS: (A) STATE 175101 (B) USNATO 5949 (NOTAL)
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1. SUMMARY: AS MENTIONED IN PARAGRAPH 2(E) OF REFTL
CONFIDENTIAL

PAGE 02 STATE 188069

A, WE HAVE BEEN CONSIDERING THE ADVANTAGES AND J
DISADVANTAGES OF MORE MEANINGFUL FORMULATIONS
OF THE SWEDISH MILITARY BUDGET PROPOSAL. THIS MESSAGE
CONTAINS A PAPER GIVING US VIEWS ON THAT PROPOSAL,
AS CONTAINED IN THE DRAFT SWEDISH RESOLUTION
ON CONFIDENCE-BUILDING MEASURES CIRCULATED BY
NORWAY (REF B), AND ON A POSSIBLE ROMANIAN PROPOSAL
FOR REDUCTION OF MILITARY SPENDING (REF C). MISSION
MAY CIRCULATE PAPER IN POLADS, DRAWING UPON IT AS
APPROPRIATE IN DISCUSSION. PRINCIPAL POINTS FOR USE

IN ORAL PRESENTATION ARE THOSE MADE IN THE BRIEF
STATEMENT OF THE ISSUES AT THE BEGINNING OF THE PAPER
AND IN THE FINAL SECTION, ENTITLED "CONCLUSIONS".
END SUMMARY.

2. BEGIN TEXT. CSCE CBMS: MILITARY EXPENDITURE
REPORTING AND REDUCTIONS
ISSUE
SWEDEN IS CONSIDERING PROPOSING LANGUAGE AT THE BELGRADE

CSCE MEETING WHICH WOULD COMMIT PARTICIPANTS "TO
PROMISE OPENNESS WITH REGARD TO THEIR MILITARY
BUDGETS." IT HAS

ASKED FOR ALLIED REACTIONS TO ITS PROPOSED DRAFT. A RE-
CENT ARTICLE IN THE ROMANIAN PARTY PRESS SUGGESTS THAT
ROMANIA MAY PROPOSE AT BELGRADE THAT CSCE PARTICIPANTS
AGREE TO REDUCE THEIR MILITARY SPENDING. WHAT POSITION
SHOULD THE ALLIES TAKE ON POSSIBLE SWEDISH, ROMANIAN, OR
OTHER INITIATIVES IN CSCE CONCERNING MILITARY SPENDING?

3. BACKGROUND
SWEDISH PROPOSALS FOR GREATER OPENNESS BY CSCE STATES ABOUT
CONFIDENTIAL

PAGE 03 STATE 188069

THEIR MILITARY SPENDING DATE BACK TO 1973.// AT THAT TIME
THE US CONSIDERED THAT THE PROPOSAL DID NOT WARRANT SUB-
STANTIAL ALLIED SUPPORT, BUT THAT ITS ADOPTION WOULD DO NO
HARM. ALLIED DISCUSSION TURNED ON THE LACK OF SPECIFICITY
AND STANDARDS IN THE SWEDISH PROPOSAL, ON THE ONE HAND, AND
THE POTENTIAL BENEFITS OF ANY CHANGE IN SOVIET DISCLOSURE
POLICY, ON THE OTHER. THERE WAS SOME CONCERN THAT, IN THE
ABSENCE OF ADEQUATE PROVISIONS FOR DEFINING WHAT CONSTI-
TUTES MILITARY SPENDING, ASSIGNING VALUE TO THE RESOURCES
EXPENDED, AND VERIFYING WHAT IS REPORTED, IMPLEMENTATION
OF THE SWEDISH PROPOSAL MIGHT LEND A MEASURE OF PUBLIC
CREDIBILITY TO ANNOUNCED SOVIET DEFENSE BUDGETS. SOME
ALLIES, HOWEVER, SAW SUBSTANTIVE BENEFITS IN AN OPENNESS
RESOLUTION. ALTHOUGH PREPARED ULTIMATELY TO ACCEPT THE
PROPOSAL IF IT BECAME TACTICALLY ADVANTAGEOUS TO DO
SO, THE ALLIES DECIDED TO ASSUME A PASSIVE ATTITUDE TO-
WARD IT IN THE CORRECT EXPECTATION THAT THE EASTERN
DELEGATIONS WOULD KILL IT.

//FOOTNOTE. SEE ABOVE. AS INCORPORATED IN THE DRAFT
OF THE NEUTRALS' RESOLUTION ON CBMS, TABLED AT GENEVA
ON FEBRUARY 20, 1974, THE ORIGINAL SWEDISH PROPOSAL
READ: "CONSIDERING THAT OPENNESS ON DEFENSE EXPEN-
DITURES WOULD SERVE THE SECURITY INTERESTS OF ALL STATES
AND BE OF GREAT VALUE AS A FURTHER CONFIDENCE-
BUILDING MEASURE, THE PARTICIPATING STATES WILL
PUBLICIZE OFFICIAL FIGURES IN GENERAL TERMS OF THEIR

DEFENSE EXPENDITURES AND THEIR DISTRIBUTION FOR DEFENSE EXPENDITURES OVER THE PAST DECADE; THE DEVELOPMENT OF DEFENSE EXPENDITURE OVER THE PAST DECADE, COMPARED TO THE LEVEL AND TREND OF THE GNP; THE DISTRIBUTION OF THE EXPENDITURE FOR DIFFERENT PURPOSES; AND OTHER STATISTICS ON DEFENSE EXPENDITURES." END OF FOOTNOTE.

CONCURRENTLY AND SUBSEQUENTLY, A NUMBER OF OTHER INITIATIVES ON LIMITED OR REPORTING MILITARY EXPENDITURES
CONFIDENTIAL

PAGE 04 STATE 188069

WERE TAKEN BY THE USSR, MEXICO, SWEDEN, AND THE US. IN THE 1973 UNGA, THE USSR PROPOSED THAT THE PERMANENT MEMBERS OF THE SECURITY COUNCIL REDUCE

THEIR MILITARY BUDGETS BY TEN PERCENT AND THAT TEN PERCENT OF THE SAVINGS BE DEVOTED TO DEVELOPMENT AID (RESOLUTION 3093A). MEXICO SPONSORED A RELATED RESOLUTION (3093B) SETTING UP AN EXPERTS GROUP TO STUDY THE ISSUES INVOLVED IN MILITARY EXPENDITURE LIMITATION. THE ALLIES SUPPORTED THE MEXICAN RESOLUTION, AND SEVERAL HAVE PARTICIPATED IN THAT AND SUBSEQUENT EXPERTS GROUPS. THANKS SUBSTANTIALLY TO THIS ACTIVE PARTICIPATION, THE 1974 EXPERTS GROUP REPORT INCLUDED AN EXTENSIVE AND OBJECTIVE

DISCUSSION OF THE DEFINITION AND MEASUREMENT OF MILITARY EXPENDITURES, THE SECURITY IMPLICATIONS OF LIMITING THEM, AND HOW LIMITATIONS MIGHT BE VERIFIED. THE REPORT WAS ALSO NOTEWORTHY BECAUSE IT WAS ACCEPTED BY THE PARTICIPATING SOVIET EXPERT EVEN THOUGH IT IMPLICITLY BELITTLED THE SOVIET TEN PERCENT REDUCTION PROPOSAL, WHICH TOTALLY IGNORES THESE ESSENTIAL UNDERLYING ISSUES.

IN THE CCD IN 1975, THE UNITED STATES SUGGESTED AN EXPERT STUDY OF THE FIRST OF THESE UNDERLYING ISSUES, STANDARDIZED MEASUREMENT OF MILITARY EXPENDITURES, BUT STOPPED SHORT OF A FORMAL PROPOSAL. HOWEVER, ESSENTIALLY THE SAME CONCEPT WAS INCORPORATED IN A MEXICAN/SWEDISH RESOLUTION (3463) AT THE 1975 UNGA, WHICH CALLED FOR A SECOND UN EXPERTS GROUP. THE US ABSTAINED ON THIS RESOLUTION BECAUSE IT CONTAINED A MEXICAN-INSPIRED EXHORTATION FOR IMMEDIATE US
CONFIDENTIAL

PAGE 05 STATE 188069

AND SOVIET MILITARY BUDGET REDUCTIONS, BUT THE US AND SEVERAL ALLIES ACTIVELY ASSISTED THE EXPERTS GROUP IN ITS WORK. THE SOVIET UNION ABSTAINED ON THE RESOLUTION AND FAILED TO TAKE PART IN THE NEW

EXPERTS GROUP.

THE 1976 REPORT OF THE SECOND UN EXPERTS GROUP RECOMMENDED TO THE UNGA A STANDARDIZED REPORTING INSTRUMENT IN MATRIX FORM WHICH DEFINES MILITARY EXPENDITURES AND BREAKS THEM DOWN IN CONSIDERABLE DETAIL. ALTHOUGH INTENDED EVENTUALLY TO FACILITATE LIMITATIONS ON MILITARY SPENDING, SHOULD SUCH LIMITATIONS BE NEGOTIATED, THE MATRIX IS ALSO DESIGNED TO SERVE AS A STANDARDIZED INSTRUMENT FOR VOLUNTARY REPORTING TO THE UN UNDERTAKEN AS A CONFIDENCE-BUILDING MEASURE. THE 1976 UNGA REQUESTED NATIONAL VIEWS ON THIS REPORTING INSTRUMENT AND ESTABLISHED A THIRD UN EXPERTS GROUP TO ANALYZE THE RESPONSES. THE RESOLUTION WAS SOMEWHAT MORE

TENTATIVE IN SUGGESTING OPERATIONAL DEVELOPMENT AND FIELD TRIAL OF THE REPORTING INSTRUMENT THAN THE EXPERTS, THE UNITED STATES, AND SEVERAL ALLIES WOULD HAVE LIKED. NEVERTHELESS, THE ASSEMBLY VOTE DEMONSTRATED THE SOVIET BLOC'S PROGRESSIVE ISOLATION ON MILITARY EXPENDITURE ISSUES: 120 VOTED FOR IT, TWO OPPOSED IT (ALBANIA AND CHINA), AND 11 ABSTAINED (WARSAW PACT EXCEPT ROMANIA, PLUS CUBA, MONGOLIA, AND UGANDA). IN ABSTAINING, THE SOVIETS REITERATED PAST POSITIONS; THEY DROPPED THEIR OWN TEN PERCENT REDUCTION PROPOSAL WHEN ITS LACK OF SUPPORT BECAME EMBARRASSINGLY EVIDENT.

THE 1976 UNGA ALSO ADOPTED, BY CONSENSUS, A RELATED RESOLUTION (31/90) APPROVING THE REPORT OF THE AD HOC COMMITTEE ON THE ROLE OF THE UN IN DISARMAMENT. CONFIDENTIAL

PAGE 06 STATE 188069

DRAFTED AND PROMOTED BY SWEDEN, THIS REPORT PROPOSES, INTER ALIA, THAT THE SYG PUBLISH AN ANNUAL DISARMAMENT YEARBOOK GIVING OFFICIAL DATA ON VARIOUS MILITARY TOPICS INCLUDING MILITARY EXPENDITURES. THE DATA ARE TO BE PRESENTED IN STANDARDIZED FORM ONCE MEASUREMENT, REPORTING, AND EVALUATION CRITERIA ARE DEVELOPED AND AGREED UPON BY THE UN.

THE SOVIET UNION, WHILE JOINING THE CONSENSUS, DEPRECATED DATA PUBLICATION AND PREPARATION OF EVALUATORY CRITERIA AS DIVERSIONARY.

THE JUNE MEETING OF THE 1977 EXPERTS GROUP HAS COMPILED THE COMMENTS OF THE DOZEN STATES WHICH RESPONDED TO THE UNSYG'S REQUEST FOR VIEWS ON THE 1976 REPORT. IN THEIR RESPONSES, THE SOVIET UNION AND HUNGARY ONCE AGAIN CRITICIZED THE STUDY AS "ABSTRACT RESEARCH." THE RESPONDING NATO

COUNTRIES AND JAPAN EXPRESSED SUPPORT FOR THE EFFORT, WHILE NOTING CERTAIN TECHNICAL DIFFICULTIES IN REPORTING EXPENDITURES IN THE FORMAT OF THE STANDARDIZED INSTRUMENTS. THE GROUP DECIDED EARLY IN ITS DISCUSSION TO SEEK RESPONSES FROM ADDITIONAL COUNTRIES AND HAS ASKED THE UNSYG TO RENEW HIS REQUEST FOR SUBSTANTIAL NATIONAL CONTRIBUTIONS. THE US GOAL IS TO MAINTAIN THE MOMENTUM OF THE EXERCISE AND BROADEN ITS BASE OF SUPPORT. WE HOPE THAT THE EXPERTS GROUP REPORT IN AUGUST WILL RECOMMEND A FIELD TRIAL OF THE REPORTING INSTRUMENTS BY SELECTED COUNTRIES THAT REPRESENT A BROAD

RANGE OF ECONOMIC SYSTEMS (E.G., SOCIALIST, FREE ENTERPRISE, DEVELOPING).
CONFIDENTIAL

PAGE 07 STATE 188069

SWEDEN IS THINKING OF AGAIN URGING OPENNESS ABOUT

MILITARY BUDGETS IN CSCE. A DRAFT SWEDISH RESOLUTION ON CBMS, PASSED TO NORWAY TO ELICIT INFORMAL NATO VIEWS, STATES, INTER ALIA, THAT:

THE PARTICIPATING STATES, RECOGNIZING THAT APPROPRIATE INCREASED OPENNESS REGARDING MILITARY MATTERS WILL GENERALLY CONTRIBUTE TO STRENGTHENING CONFIDENCE AMONG THEM, WILL, WITH DUE REGARD TO RECIPROCITY AND WITH A VIEW TO REDUCING AND ELIMINATING CAUSES OF MISUNDERSTANDING AND OVERREACTION, PROMOTE OPENNESS WITH REGARD TO THEIR MILITARY BUDGET.

THIS PROPOSAL CONTAINS A LESS SPECIFIC COMMITMENT THAN THAT EMBODIES IN THE EARLIER SWEDISH PROPOSALS. SWEDEN MAY HOPE THAT THIS MORE GENERAL FORMULATION WILL BE ACCEPTABLE TO THE SOVIET UNION AND ITS ALLIES, OR THAT THEY WILL FIND IT MORE DIFFICULT TO OPPOSE.

ROMANIA MAY ALSO BE CONSIDERING INTRODUCING THE SUBJECT OF MILITARY SPENDING AT BELGRADE. A SERIES OF ARTICLES DEALING WITH ROMANIAN ATTITUDES TOWARD CSCE APPEARED IN THE PARTY PAPER SCINTEIA IN THE FIRST HALF OF JUNE. AMONG THE SPECIFIC PROPOSALS WHICH IT WAS SUGGESTED ROMANIA MIGHT ADVANCE AT BELGRADE WAS ONE CALLING FOR A TEN-TO-FIFTEEN PERCENT CUT IN DEFENSE BUDGETS. AS FAR AS WE KNOW, HOWEVER, ROMANIA HAS NOT MENTIONED THIS POSSIBILITY IN CONSULTATIONS ON CSCE WITH ALLIES OR WITH OTHER NEUTRAL AND NON-ALIGNED NATIONS.

4. SOVIET ATTITUDES AND OPTIONS

THE SOVIET UNION'S PERCENTAGE REDUCTION PROPOSAL HAS

CONFIDENTIAL

PAGE 08 STATE 188069

YIELDED DIMINISHING RETURNS, IN PART BECAUSE THE WESTERN APPROACH HAS GAINED INCREASING SUPPORT FROM LESS-DEVELOPED, NEUTRAL AND NON-ALIGNED COUNTRIES. THIS WAS EVIDENT IN THE NEARLY TOTAL

ISOLATION OF THE SOVIET UNION AND ITS ALLIES ON THIS ISSUES IN THE LAST UNGA.

ONE SOVIET OBJECTION TO THE ORIGINAL SWEDISH CSCE

PROPOSAL, PROBABLY REFLECTING SOVIET APPREHENSIONS ABOUT CHINA, WAS THAT THE ISSUE OF MILITARY SPENDING IS GLOBAL, NOT REGIONAL. SINCE THE SOVIET REDUCTION PROPOSAL NOW ENJOYS LITTLE SUPPORT AS A GLOBAL MEASURE, AND SINCE SOVIET RESISTANCE TO ALTERNATIVE GLOBAL EFFORTS HAS BEEN REPEATEDLY DEMONSTRATED, THIS OBJECTION MAY NOW HAVE LESS FORCE.

NEVERTHELESS, THE SOVIETS WILL BE RELUCTANT TO ACCEPT A SWEDISH PROPOSAL AT BELGRADE, HOWEVER

MODEST IT MAY BE. FOR THEM TO ENDORSE EVEN A GENERAL CALL FOR OPENNESS WOULD IMPLY RECOGNITION OF A PROBLEM THEY HAVE PRESISTENTLY IGNORED. IT WOULD ALSO LEGITIMIZE FUTURE CRITICISM OF THEM IN CSCE IF THEY SHOULD TAKE NO STEPS TOWARD GREATER OPENNESS ABOUT THEIR OWN MILITARY SPENDING, WHICH, OF COURSE, THEY WOULD FIND IT VERY DIFFICULT TO DO. (THE POSSIBLE DOMESTIC IMPACT OF PUBLISHING NEW AND EVEN PARTIALLY MORE REALISTIC FIGURES ON THE LEVEL OF SOVIET MILITARY EXPENDITURES MIGHT APPEAR EVEN MORE THREATENING TO SOVIET LEADERS THAN
CONFIDENTIAL

PAGE 09 STATE 188069

THE FOREIGN INTELLIGENCE AND PROPAGANDA COSTS OF SUCH PUBLICATION).

YET, IF THEY SHOULD OPPOSE A SWEDISH PROPOSAL AT BELGRADE THE SOVIETS WOULD COMPOUND A DILEMMA WHICH THEY ALREADY FACE: THEY INSISTENTLY ADVOCATE REDUCING MILITARY SPENDING, USING ANNOUNCED BUDGETS AS A BASE; BUT THEY REJECT THE AMPLE AND STANDARDIZED DISCLOSURE OF EXPENDITURE DATA WHICH OTHER COUNTRIES HAVE COME INCREASINGLY TO RECOGNIZE AS A PRECONDITION FOR EFFECTIVE INTERNATIONAL MEASURES TO LIMIT SUCH SPENDING.

THIS MAKES THEM VULNERABLE TO A CHARGE OF BAD FAITH, PARTICULARLY IN LIGHT OF THE GROSS DISPARITIES BETWEEN THEIR OWN PUBLISHED DEFENSE BUDGET TOTALS AND NEW FOREIGN INTELLIGENCE ESTIMATES THAT ARE INCREASINGLY ACCEPTED IN THE WEST AND ELSEWHERE.

TO AVOID THIS CHARGE AT BELGRADE, THE SOVIETS MIGHT BE TEMPTED TO GO ALONG WITH THE SWEDISH PROPOSAL, COUNTING ON ITS LACK OF SPECIFICITY TO SAVE THEM FROM EMBARRASSMENT IN ANY FUTURE REVIEW OF IMPLEMENTATION. IT SEEMS MORE LIKELY, HOWEVER, THAT THEY WILL REJECT

ANY OPENNESS RESOLUTION, ARGUING, AS THEY HAVE IN THE PAST, THAT PREOCCUPATION WITH REPORTING PRACTICES DIVERTS ATTENTION FROM THE REAL OBJECTIVE, WHICH IS TO CUT MILITARY SPENDING. AT THE SAME TIME, THEY WOULD PROBABLY REJECT A ROMANIAN PROPOSAL FOR REDUCTION OF MILITARY BUDGETS ON THE GROUNDS THAT IT WOULD NOT HAVE GLOBAL APPLICATION.

5. NEUTRAL/NON-ALIGNED ATTITUDES

THE NEUTRALS AND THE NON-ALIGNED SPONSORED THE CONFIDENTIAL

PAGE 10 STATE 188069

ORIGINAL CSCE PROPOSAL ON PUBLICATION OF MILITARY EXPENDITURES AND HAVE ENDORSED THE REPORTS OF THE UN EXPERTS GROUPS ON MILITARY SPENDING. THEY WOULD PROBABLY SUPPORT A PROPOSAL ALONG THE LINES OF THE NEW SWEDISH DRAFT AT BELGRADE. AT THE SAME TIME, SOME OF THEM, PERHAPS FRUSTRATED BY THE SLOW PROGRESS OF THE TECHNICAL WORK BEING DONE IN THE UN CONTEXT AND DOUBTFUL ABOUT ITS ULTIMATE UTILITY, MIGHT BE ATTRACTED TO A RESOLUTION COMMITTING CSCE PARTICIPANTS TO AT LEAST THE PRINCIPLE OF REDUCING MILITARY SPENDING.

6. ALLIED INTERESTS

A PROPOSAL COMMITTING CSCE PARTICIPANTS TO REDUCE ANNOUNCED MILITARY SPENDING BY SOME SPECIFIED PERCENTAGE WOULD CLEARLY BE UNACCEPTABLE TO THE WEST. IF THIS IS WHAT THE ROMANIANS ARE CONTEMPLATING, IT WOULD BE WELL TO TRY TO HEAD THEM OFF IN ADVANCE. GIVEN ROMANIA'S SUPPORT OF THE UNGA RESOLUTION ON THE 1976 EXPERTS' REPORT AND ITS DEMONSTRATED READINESS TO TAKE POSITIONS IN CSCE AT VARIANCE WITH THOSE OF THE SOVIET UNION, ROMANIA MIGHT WELL BE WILLING TO APPROACH THE MILITARY SPENDING ISSUE AT BELGRADE IN A WAY ACCEPTABLE TO THE WEST. THIS MIGHT TAKE THE FORM OF RECOMMENDING A COMMITMENT TO REDUCED MILITARY

SPENDINGS AS AN ULTIMATE GOAL WHILE RECOGNIZING THAT PROGRESS TOWARD AGREEMENT ON ACTUAL REDUCTIONS WOULD DEPEND UPON THE DEVELOPMENT AND ACCEPTANCE OF RELIABLE METHODS FOR REPORTING, COMPARING, AND VERIFYING EXPENDITURES.

CONFIDENTIAL

PAGE 11 STATE 188069

THE EXISTING SWEDISH PROPOSAL PRESENTS MORE COMPLEX CONSIDERATIONS. THE PRINCIPLE TO WHICH

IT WOULD COMMIT CSCE PARTICIPANTS IS ONE WHICH THE ALLIES HAVE SUPPORTED IN THE UN AND ELSEWHERE. SOVIET ACCEPTANCE OF THE SWEDISH PROPOSAL AT BELGRADE WOULD BE AN ADMISSION THAT OPENNESS ABOUT MILITARY SPENDING WOULD CONTRIBUTE TO CONFIDENCE; IT WOULD PERHAPS MAKE IT MORE DIFFICULT FOR THE SOVIETS TO JUSTIFY CONTINUED OPPOSITION TO THE WORK OF THE UN EXPERTS GROUPS ON MILITARY SPENDING.

IF, ON THE OTHER HAND, THE SOVIETS AND THEIR ALLIES SHOULD OPPOSE A SWEDISH RESOLUTION AT BELGRADE, THERE WOULD PROBABLY BE TACTICAL ADVANTAGE TO THE ALLIES IN SUPPORTING IT.

AT THE SAME TIME, THE SWEDISH PROPOSAL WOULD ESTABLISH NO STANDARDS AGAINST WHICH TO JUDGE PERFORMANCE IN ANY FUTURE REVIEW OF IMPLEMENTATION. IT COULD OFFER THE SOVIETS AN OPPORTUNITY TO PAY LIP SERVICE TO THE PRINCIPLE OF OPENNESS WITHOUT COMMITTING THEMSELVES TO ANY SPECIFIC CHANGES IN THEIR PRESENT DECEPTIVE PRACTICES. BECAUSE THE SWEDISH DRAFT MAKES NO RECOGNITION OF THE NEED FOR REPORTING STANDARDS IF OPENNESS IS TO PROVIDE ANY USEFUL BASIS FOR ASSESSMENT AND COMPARISON OF MILITARY SPENDING, IT MIGHT BE ARGUED THAT IT REPRESENTS A RETREAT FROM UN RESOLUTIONS ON THE SUBJECT. CLEARLY A RESOLUTION WHICH AT LEAST MADE FAVORABLE REFERENCE TO THE WORK ON THE UN WOULD BE PREFERABLE. HOWEVER, AS SWEDEN IS CERTAINLY AWARE, IT WOULD ALSO HAVE MUCH LESS CHANCE OF ACCEPTANCE BY THE WARSAW PACT COUNTRIES.

CONFIDENTIAL

PAGE 12 STATE 188069

7. CONCLUSIONS

(1) THE US BELIEVES IT WOULD BE DESIRABLE IF, IN INFORMING SWEDEN OF ALLIED REACTIONS TO THE

DRAFT SWEDISH LANGUAGE ON MILITARY EXPENDITURES,
NORWAY COULD MAKE THE FOLLOWING POINTS:

(A) THE ALLIES SHARE SWEDEN'S INTEREST IN PROMOTING
OPENNESS AND ACCURACY IN THE PUBLICATION OF
MILITARY EXPENDITURES;

(B) WHILE THEY THEREFORE SUPPORT THE PRINCIPLE
EMBODIED IN THE SWEDISH DRAFT, THEY BELIEVE THE
BELGRADE MEETING SHOULD ALSO ACKNOWLEDGE THE

IMPORTANCE OF DEVELOPING AGREED-UPON REPORTING
STANDARDS IF A COMMITMENT TO OPENNESS IS TO HAVE
MEANINGFUL PRACTICAL CONSEQUENCES;

(C) SPECIFICALLY, THEY WOULD SUGGEST THAT SWEDEN
STRENGTHEN ITS DRAFT TO INCLUDE:

--RECOGNITION OF THE IMPORTANCE OF DEVELOPING
AGREED-UPON STANDARDS IN REPORTING MILITARY EXPENDITURES;

--A COMMITMENT IN PRINCIPLE ON THE PART OF THE CSCE
PARTICIPANTS TO WORK TOWARD DEVELOPMENT OF SUCH
STANDARDS AND, ULTIMATELY, TO PUBLISH THEIR MILITARY
EXPENDITURES IN AN AGREED-UPON FORMAT;

--A FAVORABLE REFERENCE TO THE WORK IN DEVELOPING
REPORTING STANDARDS BEING DONE IN THE UN.

CONFIDENTIAL

PAGE 13 STATE 188069

(D) THE ALLIES RECOGNIZE OF COURSE THAT SUCH A
FORMULATION, PARTICULARLY WITH THE SECOND POINT
INCLUDED, WOULD BE MORE LIKELY TO ENCOUNTER OPPOSITION
FROM THE WARSAW PACT STATES THAN WOULD THE PRESENT
SWEDISH DRAFT, BUT IT WOULD REPRESENT A DESIRABLE
STARTING POINT FOR DISCUSSION AT BELGRADE.

(2) IF SWEDEN SHOULD RESIST SOME OR ALL OF THESE
SUGGESTIONS FOR STRENGTHENING ITS PROPOSAL,
THE US BELIEVES THE ALLIES SHOULD CONSULT FURTHER.
OUR PRESENT FEELING, HOWEVER, IS THAT IT WOULD BE
UNWISE TO OPPOSE THE SWEDISH DRAFT. THE ALLIES
COULD STILL COMMEND THE UN WORK IN THEIR OWN
STATEMENTS AT BELGRADE AND SUGGEST THAT CSCE
PARTICIPANTS KEEP IN MIND THE STANDARDS BEING DEVELOPED
BY THE UN EXPERTS GROUPS WHEN CONSIDERING HOW
TO IMPLEMENT THE SWEDISH RESOLUTION AND HOW TO
JUDGE THE IMPLEMENTATION RECORD OF OTHERS.
HOWEVER, ALLIED INSISTENCE, WITHOUT SWEDISH SUPPORT,
ON RESOLUTION LANGUAGE COMMITTING PARTICIPANTS TO
DEVELOP AND APPLY REPORTING STANDARDS MIGHT WELL

APPEAR DESIGNED TO EMBARRASS THE WARSAW PACT STATES
AND MIGHT BE SEEN BY NEUTRAL AND NON-ALIGNED
PARTICIPANTS AS PROPAGANDISTIC RATHER THAN CONSTRUCTIVE.

(3) THE ALLIES NEED TO KNOW ABOUT ROMANIAN INTENTIONS.
NORWAY MIGHT WELL BE ABLE TO DISCOVER MORE ABOUT
THESE FROM SWEDEN, WHEN IT CONVEYS ALLIED REACTIONS

TO THE SWEDISH DRAFT CBM.

(4) THE US BELIEVES THE ALLIES SHOULD THINK ABOUT
HOW TO HEAD OFF OR COUNTER A PROPOSAL AT BELGRADE
FOR ACROSS-THE-BOARD PERCENTAGE REDUCTIONS IN
MILITARY SPENDING AND HOW TO ACCOMMODATE POSSIBLE
NEUTRAL AND NONALIGNED CONCERNS ABOUT THE ULTIMATE
CONFIDENTIAL

PAGE 14 STATE 188069

UTILITY OF STANDARDIZED REPORTING OF MILITARY
EXPENDITURES. ONE APPROACH, WHICH WE ARE NOT PROPOSING
BUT ONLY RAISING FOR ALLIED CONSIDERATION, WOULD
BE TO OFFER TO SUPPORT A RESOLUTION ESTABLISHING
REDUCED MILITARY SPENDING AS AN ULTIMATE GOAL
IF THE RESOLUTION ALSO STATED THAT PROGRESS TOWARD
AGREEMENT ON ACTUAL REDUCTIONS WOULD DEPEND
UPON THE DEVELOPMENT AND ACCEPTANCE OF RELIABLE
METHODS FOR REPORTING, COMPARING, AND VERIFYING
EXPENDITURES. WE WOULD BE INTERESTED IN THE VIEWS
OF OTHER ALLIES ABOUT TAKING SUCH AN APPROACH
SHOULD REDUCTION OF MILITARY SPENDING BECOME AN
ISSUE AT BELGRADE.

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